

Appeal No. VA08/3/012

**AN BINSE LUACHÁLA**  
**VALUATION TRIBUNAL**  
**AN tACHT LUACHÁLA, 2001**  
**VALUATION ACT, 2001**

**Gilroy Gannon**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 2192067, Office(s) at Lot No. 57a 57b 58 59 (Second floor), Holborn Street, Rathquarter, Sligo North, Sligo Borough, County Sligo

**B E F O R E**

**John Kerr - BBS. ASCS. MRICS. FIAVI**

**Deputy Chairperson**

**Damian Wallace - QFA, MIPAV, Valuer**

**Member**

**Patrick Riney - FSCS FRICS FIAVI**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 12TH DAY OF JANUARY, 2009**

By Notice of Appeal received on the 15th day of July, 2008, the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €150.00 on the above described relevant property.

The Grounds of Appeal as set out in the Notice of Appeal are:

"The valuation is excessive and inequitable in relation to comparable properties in the rating area".

The appeal proceeded by way of an oral hearing held in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7, on the 5<sup>th</sup> day of November, 2008. At the hearing the appellant was represented by Ms. Dawn Holland, BSc (Hons), MIAVI, GVA Donal O Buachalla, Property and Rating Consultants and Mr. David Molony, BSc, MRICS, a District Valuer in the Valuation Office appeared on behalf of the respondent. Each representative having taken the oath adopted his/her précis and valuation, which had previously been received by the Tribunal and exchanged with the other party, as his/her evidence-in-chief.

### **Valuation History**

The property was the subject of revision and a Valuation Certificate was issued on 27<sup>th</sup> October, 2007 proposing a valuation of €150. Representations to the Revision Officer were received on 15<sup>th</sup> November, 2007 and the Valuation Certificate was issued on 4<sup>th</sup> December, 2007 with no change made to the rateable valuation. An appeal was lodged on 12<sup>th</sup> December, 2007 and on conclusion of the appeal, the valuation remained unchanged. An appeal was then lodged to the Valuation Tribunal on 15<sup>th</sup> July, 2008.

### **The Issue**

Quantum

### **Location**

The subject property, which has triple road frontage, is located on the eastern side of Markievicz Road, the southern side of Connaught Road and the western side of Holborn Street in Sligo Town. Markievicz Road fronts onto the river and is directly opposite the Glasshouse Hotel. The property is situated in a town centre location within a short distance of the central commercial core of Sligo.

### **The Property**

The subject property comprises the entire second floor offices contained within a new purpose-built, five storey office block. The offices are third generation with raised access floors, suspended ceilings and air conditioning. The building has floor to ceiling double glazing and there is a lift serving all floors. The agreed area of the second floor offices is 315.61 sq. metres.

### **The Appellant's Evidence**

Ms. Dawn Holland referred to her précis of evidence and confirmed that the areas had been agreed with the Valuation Office. She advised the Tribunal that this is an agreed test case for two other identical floors in the building, the first (**VA03/3/006 – Gilroy Gannon**) and third floors (**VA08/3/007 – Anglo Irish Corporation PLC**). She said that even though the subject property is a good building, finished to a very high standard, its location is not desirable on a number of grounds.

Ms Holland said that there are no parking facilities as part of the office development and that the nearest car park, adjacent to the building, is occupied by members of the travelling community as an unofficial halting site. Ms. Holland added that the car park's occupiers have had a negative effect on the area generally and that this is evident by the fact that the residential units at Milligan Court, built over two years ago and located directly opposite the car park, are completely empty, while three of the four retail units within Milligan Court are also still vacant. At the valuation date the entire ground floor of Connaught House was vacant and one unit remains vacant to date while Anglo Irish Bank have vacated their space and are trying to sub-let the third floor. Ms. Holland contended that the high vacancy rates in the immediate area are due to the occupation of the Connaught Street car park by members of the travelling community.

Ms. Holland then introduced her comparisons as follows:

### **Comparisons**

1. James Duffy & Company, Markievicz Road, Property Number 2187744, RV €37  
 Ground Floor Offices (Front) 49.65 sq. metres @ €136.67 per sq. metre.  
 Ground Floor Offices (Rear) 21.19 sq. metres @ €68.34 per sq. metre.
2. Marlborough International, Property Number 1543609, RV €69.85  
 First Floor Offices 157 sq. metres @ €88.90 per sq. metre = NAV €13,957.30  
 Parking available nearby
3. John Sisk Ltd., Quayside Shopping Centre, Wine Street, Property Number 2187753,  
 RV €98  
 Office 204.3 sq. metres @ €5.67 per sq. metre.

Ms. Holland advised that while her comparison No. 1, Duffy's, is not wholly comparable being smaller than the subject property, Sisk's (comparison No. 3) is similar in size and quality, but enjoys a far superior and more secure location. She added that Marlborough International (comparison No. 2) enjoys a good central location on Stephen Street, which is the central commercial area housing the four main banks and has ample parking to the rear in the Stephen Street car park. This, she said, was her primary comparison.

Ms. Holland concluded her evidence by advising that the subject property does not enjoy as good a location as the comparisons and this should be reflected in the valuation and she contended for a rateable valuation of €129.00 set out as follows;

Offices: 315.61 sq. metres @ €82.00 per sq. metre = €25,880

Estimated NAV = €28,404.90 @ 0.5% = €129.40

Say €129

### **Cross Examination**

In cross examination Mr. Molony asked a number of questions regarding the subject property, Ms. Holland's comparisons and the availability of car parking in the area. In response to these queries Ms. Holland advised the Tribunal that in valuation terms she would treat all the floors in the building on the same basis because of the availability of a lift. She acknowledged that there was a larger car park on the Connaught Road behind the occupied car park but made the point that the very presence of the unofficial halting site in the area was enough to prevent people from parking in the general area.

Ms. Holland also clarified some points regarding her comparisons including the fact that access to the Marlborough International property is through an archway and there is no front door access onto the street, while John Sisk Ltd. is located on the opposite side of the river in a retail area.

### **Respondent's Evidence**

Mr. Molony adopted his précis as his evidence-in-chief and he confirmed that he accepted the description of the property as set out by Ms. Holland. Mr. Molony then introduced his comparisons, two of which were common comparisons as follows:

## Comparisons

1. James Duffy & Co., Markievicz Road, Sligo, Property Number 2187744  
 Ground Floor offices (Front) 49.65 sq. metres @ €36.67 per sq. metre.  
 Ground Floor offices (Rear) 21.19 sq. metres @ €68.34 per sq. metre.
  
2. John Sisk Ltd., Quayside Shopping Centre, Sligo, Property Number 2187753  
 First Floor offices 204.3sq.metres @ €5.67 per sq. metre
  
3. Guinness (Ireland) Ltd., Stephen Street, Sligo, Property Number 1166436  
 Ground & First Floor offices 131.00 sq. metres @ €102.47 per sq. metres

Mr. Molony then addressed the issue of parking and said that in Sligo there is very little parking attached to any office building and he referred to the Valuation Tribunal determination **VA96/3/082 – Ulster Bank (Stephen Street, Sligo)** which relates to a property within the same terrace block as that of the subject property where the Tribunal found that *“The subject property is undoubtedly an extremely fine building and in a commanding position in the town. The lack of car parking is a disadvantage but the Tribunal considers that as far as a hypothetical tenant would be concerned, this disadvantage would be outweighed by the location, structure and condition of the building”*. Mr. Molony said that it was his belief that the subject building was in the same mould as the above comparison.

In summarising his position Mr. Molony also referred to three office suites on Stephen Street, Sligo, a short distance from the subject property which were agreed at Representations Stage in 2007 with a rating consultant and indicated that these valuations, while not to be used as comparisons, offered a guide to the valuation levels pertaining to modern offices in the immediate vicinity. He said that the valuation of €150 adopted at revision is both fair and equitable, having taken account of the high specifications of the subject property and of the comparisons contained within his précis of evidence.

Mr. Molony said that his Comparison 1- James Duffy & Co. is located on the same road and terrace as the subject property and this building is infinitely inferior in terms of specification and fit out and is valued at €36.67 per sq. metre. He advised that his Comparison 2 - John Sisk Ltd., is located some distance from the subject property on the far side of the Garavogue River and is similar in terms of specification. It is valued at a similar level of €5.64 per sq.

metre. He said that Comparison 3, Guinness (Ireland) Ltd., would be slightly inferior in terms of location and standard of finish and this is valued at €102.47 per sq. metre while the subject property is valued at €95.64 per sq. metre.

### **Cross Examination**

In cross examination Mr. Molony was asked by the Tribunal if he had taken any account of the location of the halting site in arriving at a valuation and he confirmed that he did not as it is an unofficial halting site and it might be gone in the morning. He confirmed that levels in all floors would be the same for a modern building with a lift while he acknowledged that none of the comparable properties have been the subject of appeal to the Tribunal. In response to queries from Ms. Holland, Mr. Molony confirmed that in his opinion Stephen Street is a better street than the location of the subject property and also advised the Tribunal that he has no proof of the level of vacancy in the area.

### **Findings**

The Tribunal has carefully considered all of the oral and written evidence produced by the parties and the arguments adduced at the hearing and makes the following findings:

1. The subject location, by agreement of the parties, would not be as desirable for office properties as Stephen Street.
2. Ms. Holland declared her comparison No. 2, Marlborough International, to be her primary comparator. She indicated that the Marlborough International office facility is located in a good central location on Stephen Street with ample parking to the rear, facts which were not challenged and which the Tribunal accepts.
3. It was agreed by the parties that the location of the common comparison property, John Sisk & Co., is somewhat remote from the central business district, though close to many retail outlets, and may be less relevant in this circumstance when comparing other properties of similar use.
4. Though useful as a comparison Duffy & Co. is located in a redeveloped terraced facility and is of a much smaller floor area.
5. The Tribunal noted the reference to the **VA96/3/082** and, though it is of interest, is cautious in consideration of same having regard to the effluxion of time and changes to traffic management and parking requirements in the interim.

**Determination**

The Tribunal therefore determines the net annual value and rateable valuation of the property concerned to be as follows:

Offices: 315.61 sq. metres @ €90.00 per sq. metre = €28,404.90

Estimated NAV = €28,404.90 @ 0.5% = €142.02

Say €142

And the Tribunal so determines.